

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of

APPLICATION OF EQUITABLE GAS COMPANY IN)
RESPECT TO A GUARANTEE BY EQUITABLE GAS)
COMPANY OF THE PRINCIPAL AND INTEREST)
OF UP TO \$29,000,000 OF CONVERTIBLE DE-)
BENTURES, STRAIGHT DEBENTURES, OR OTHER)
LONG-TERM UNSECURED DEBT, PROPOSED TO)
BE ISSUED IN THE EUROBOND MARKET BY)
EQUITABLE CURACAO, N.V., A SUBSIDIARY)
OF EQUITABLE GAS COMPANY, AND TO AUTHO-)
RIZE THE ISSUANCE, FROM TIME TO TIME)
THEREAFTER, SHARES OF COMMON STOCK OF)
EQUITABLE GAS COMPANY ISSUABLE UPON THE)
CONVERSION OF ANY CONVERTIBLE DEBENTURES)
SO ISSUED)

CASE NO. 8269

O R D E R

On June 29, 1981, Equitable Gas Company ("Equitable") filed its duly verified application seeking authority in respect to a guarantee by Equitable of the principal and interest of up to \$29,000,000 of convertible debentures, straight debentures, or other long-term unsecured debt ("securities"), proposed to be issued in the Eurobond market by Equitable Curacao, N.V., a subsidiary of Equitable, and to authorize the issuance, from time to time thereafter, of shares of common stock of Equitable issuable upon the conversion of any convertible debentures so issued.

Equitable's guarantee will be subordinated to its obligations with respect to First Mortgage Bonds, 9% Debentures, Promissory Notes Due 1983, and 9½% Convertible Subordinated Debentures.

The Commission, after consideration of the application and being advised, is of the opinion and finds that the guarantee by Equitable of the securities to be issued by Equitable Curacao, N.V., a wholly-owned foreign subsidiary of Equitable, and the issuance from time to time thereafter of shares of common stock of Equitable issuable upon the conversion of any convertible debentures so issued, are for a lawful object within the corporate purposes of the utility, are necessary and appropriate for and consistent with the proper performance by the utility of its service to the public and will not impair its ability to perform that service and are reasonably necessary and appropriate for such purpose.

IT IS THEREFORE ORDERED That Equitable Gas Company be and it hereby is authorized to guarantee the securities to be issued by Equitable Curacao, N.V., a wholly-owned foreign subsidiary of Equitable, and is further authorized to issue, from time to time thereafter, shares of common stock of Equitable issuable upon the conversion of any convertible debentures so issued.

IT IS FURTHER ORDERED That the guarantee and issuance of the securities herein shall be only for the lawful purposes as set out in the application.

IT IS FURTHER ORDERED That Equitable Gas Company shall, as soon as reasonably possible, file with this Commission a statement setting forth the date that all requirements for issuance of the securities authorized herein have been met, the terms and conditions of the issuance thereof, and the actual date(s) of the issuance of any common stock authorized herein.

Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the guarantee by Equitable and issuance of the securities authorized herein.

Done at Frankfort, Kentucky, this 20th day of July, 1981.

PUBLIC SERVICE COMMISSION

Marlin M. Voth
Chairman

Katharine Randall
Vice Chairman

Sam Hargan
Commissioner

ATTEST:

Secretary